



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

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June 13, 2022

The Honorable Graham Filler, Chair  
House Committee on Judiciary  
Anderson House Office Building  
124 North Capitol Avenue  
Lansing, MI 48909

*RE: Tech addressing organized retail crime (SB 1023, SB 1024, HB 5485, HB 5486, and HB 5487)*

Dear Chairman Filler:

I submit this written letter today on behalf of TechNet and its member companies on pending online marketplace regulation before your committee.

*TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.7 million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Olympia, Sacramento, San Francisco, Silicon Valley, and Washington, D.C.*

First, we want to acknowledge the deliberate approach your committee has taken on the issue of online marketplaces and organized retail crime. This is a complex issue that deserves a thoughtful and thorough debate. However, this issue is best addressed at the federal level. While a handful of states are considering or have enacted similar legislation, we believe it is best to avoid an unworkable state patchwork of laws with which marketplace platforms, and the small businesses and individuals that sell on them, would need to comply.

We wish to highlight the federal H.R. 5502, the INFORM Act currently part of the America COMPETES package which recently passed the U.S. House and is currently in conference committee. We urge a great deal of caution in passing a state law contributing to a patchwork of state regulations when H.R. 5502 may imminently become law, as America COMPETES seems destined to pass and would preempt states from implementing their own INFORM Act-style laws.

Previous versions of the INFORM Act at the federal level were opposed by TechNet and our membership because they favored large brick-and-mortar retailers at the expense of small businesses that sell online. However, TechNet and our member companies have spent the last year talking to policymakers about the facts, including the measures already put in place by our members to combat fraud and abuse on their marketplace platforms, which are built on consumer trust. This dialogue vastly improved H.R. 5502, because lawmakers learned what they could do to truly help protect consumers, while not punishing the honest small businesses and individuals that sell on these platforms. TechNet and our members are appreciative that Congress added important changes to the version of H.R. 5502 that passed the House, which has the support of both big box retailers and online marketplace platforms.

While we understand Michigan lawmakers' reluctance to wait on federal action, TechNet and its members believe strongly that the best approach is a federal standard. However, if legislation were to move forward this legislative session, we would strongly advise your committee to only entertain the Senate version of these bills, SB's 1023 and 1024, sponsored by Senator Roger Victory. TechNet remains strongly opposed to the original House versions HBs 5485, 5486, and 5487, for reasons stated in our in-person testimony before your committee in March.

We also would like to highlight that implementing INFORM at the state level will not solve organized retail theft. To truly combat the ever-adapting ways that criminals find ways to commit these crimes, state investment into organized retail crime task forces, such as what was included in the Governor's budget proposal, should be considered as part of a comprehensive solution to addressing organized retail theft.

Thank you for considering TechNet's perspectives on this issue. If you would like to discuss TechNet's position further, please do not hesitate to contact me. TechNet hopes to continue to be a resource on this important issue and we look forward to working with you.

Sincerely



Tyler Diers  
Executive Director, Illinois and Midwest  
TechNet